

Message Text

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ACTION IO-13

INFO OCT-01 EUR-12 ISO-00 AID-05 EB-08 CIAE-00 DODE-00
PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01
SP-02 SS-15 USIA-06 ABF-01 FRB-03 OMB-01 TRSE-00
AF-08 ARA-06 EA-07 NEA-10 /120 W
-----212215Z 129451 /70

R 211524Z JAN 77
FM AMEMBASSY VIENNA
TO SECSTATE WASHDC 0577
INFO USMISSION USUN NEW YORK
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LIMITED OFFICIAL USE VIENNA 0533

E.O. 11652: N/A
TAGS: UNDP, EAID, AU
SUBJECT: UNDP: U.S. INITIATIVES ON USE OF ACCUMULATED NON-
CONVERTIBLE CURRENCIES

REF: (A) STATE 6774; (B) STATE 6775; (C) VIENNA 410

1. SUMMARY. GOA AID COORDINATOR GEORG ZUK EXPRESSED DOUBTS THAT (A) REVISED U.S. PROPOSAL WOULD BE ACCEPTABLE TO COMMUNIST COUNTRIES AND (B) LDCS WOULD BE ABLE TO MAKE SIGNIFICANT USE OF ACCUMULATED NON-CONVERTIBLE FUNDS. AUSTRIANS UNLIKELY TO COMMIT THEMSELVES ON THIS ISSUE UNTIL ATTITUDES OF COMMUNIST COUNTRIES AND LDCS BECOME KNOWN. END SUMMARY.

2. AFTER STUDYING OUR AIDE MEMOIRE, ZUK DISCUSSED AUSTRIAN VIEWS ON REVISED U.S. PROPOSAL WITH EMBOFF JANUARY 20. ZUK SIAD THAT EARLIER US INITIATIVE HAD BEEN CONSIDERED INFORMALLY IN COUNCIL OF MINISTERS BUT THAT NO FIRM POSITION HAD BEEN TAKEN BECAUSE OF UNCERTAINTY OF REACTION OF THE COMMUNIST COUNTRIES.

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3. ZUK TERMED NEW PROPOSAL "IMAGINATIVE" AND "A CONSTRUCTIVE ATTEMPT TO DEAL WITH THE UNDP FINANCIAL CRISIS". HE NEVERTHELESS EXPRESSED SERIOUS DOUBTS THAT (A) COMMUNIST COUNTRIES WOULD FIND THIS IDEA ANY MORE ACCEPTABLE THAN INITIAL US PROPOSAL AND (B) LDCS WOULD HAVE MUCH USE FOR NON-CONVERTIBLE CURRENCIES THEY WOULD ACQUIRE UNDER SUBSTITUTION SCHEME. WITH REGARD

TO (A), EMBOFF SAID FACT THAT LDCS, RATHER THAN DCS, WOULD BE PRIMARY USERS OF NON-CONVERTIBLE CURRENCY HOLDINGS WOULD HOPEFULLY MAKE THIS PROPOSAL MORE ACCEPTABLE TO DONOR COUNTRIES OF THOSE CURRENCIES. REGARDING USABILITY, EMBOFF REMARKED THAT THIS WAS PROBABLY GREATER THAN ONE WOULD INITIALLY SUSPECT. ZUK THEN REMARKED THAT IT MIGHT INCREASE ATTRACTIVENESS OF PROPOSAL TO LDCS TO INCLUDE EXPENSES ASSOCIATED WITH SPECIAL MISSIONS AND VISITS AS WELL AS THOSE OF REGULAR DIPLOMATIC AND CONSULAR ESTABLISHMENTS AMONG THE AUTHORIZED USES FOR THESE NON-CONVERTIBLE FUNDS.

4. SINCE REVISED US PROPOSAL NEED NOT INVOLVE AUSTRIAN PURCHASES OF NON-CONVERTIBLE CURRENCIES, ZUK SAID THAT GOA POSITION COULD BE DECIDED ON LOWER LEVEL. HE INDICATED THAT AUSTRIAN UNDP GOVERNING COUNCIL REP WOLFGANG WOLTE WOULD BE AVAILABLE TO PARTICIPATE IN ANY GROUP B DISCUSSIONS OF US PLAN.

5. COMMENT. ZUK GAVE EMBOFF CLEAR IMPRESSION THAT AUSTRIANS WOULD WAIT AND SEE ATTITUDE OF COMMUNIST COUNTRIES AND LDCS TO REVISED US PROPOSAL BEFORE COMMITTING THEMSELVES. BUCHANAN

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Message Attributes

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Control Number: n/a
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Sent Date: 21-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
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Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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